

CITY ETHICS COMMISSION

Helen Zukin
President

Sean Treglia
Vice President

Michael Camuñez

Nedra Jenkins

Paul Turner

CITY OF LOS ANGELES
CALIFORNIA



LeeAnn M. Pelham
Executive Director

200 North Spring Street
City Hall – 24th Floor
Los Angeles CA 90012
(213) 978-1960
(213) 978-1988 Fax
<http://ethics.lacity.org>

Whistleblower Hotline:
(213) 978-1999
(800) 824-4825

APPROVED

REGULAR MEETING OF THE
LOS ANGELES CITY ETHICS COMMISSION

Tuesday, November 18, 2008
9:30 a.m.

City Hall, Room 1050 – 10th Floor
200 North Spring Street
Los Angeles, CA 90012

1. Call to Order.

Commission President Helen Zukin called the meeting to order at 9:37 a.m.

Present: Camuñez, Jenkins, Turner, and Zukin.

2. Public Comment

There was no public comment.

3. Approval of draft minutes for the special meeting of September 5, 2008 and for the regular meeting of October 14, 2008.

Commissioner Jenkins moved to approve the minutes, and Commissioner Turner seconded. The minutes were approved 4-0.

4. Executive Director's report [LeeAnn Pelham].

Executive Director LeeAnn Pelham did not have anything to add to the written report, and no questions were asked by the commissioners.

5. Monthly policy and legislation report [Heather Holt].

Director of Policy and Legislation Heather Holt provided a status report on policy items and highlighted that the Board of Neighborhood Commissioners recommended to the City Council that neighborhood council board members be required to file financial disclosure only tied to

neighborhood council files, rather than annually. The Board also recommended that a modified version of Form 52 be implemented so that employers, business interests, and property interests are disclosed only if they are related to the neighborhood council file that triggers disclosure.

6. Consideration of and action on the following proposed stipulated settlements:

a. In the Matter of: Joseph Anthony Kouba, CEC Case No. 2008-13 [Deena Ghaly & Terra Messina].

Director of Enforcement Deena Ghaly stated that this item involves an independent expenditure disclaimer violation. Ghaly stated that in this case, while Mr. Kouba was attempting to comply with the law, staff was trying to be responsive to the laws while being measured when handling cases concerning independent expenditures. Camuñez stated that it is clear to him that Mr. Kouba was attempting to comply with the law but did not fully understand the requirements after seeking advice. Additionally, he believes that it is inequitable to fine Mr. Kouba the same amount for the same violation as Mr. Riordan, because Mr. Kouba attempted to comply with the law, while Mr. Riordan—a very experienced and well known politician—did not disclose anything on his independent expenditure. Therefore, Camuñez suggested lowering the fine for Mr. Kouba. Jenkins stated that she is comfortable with the fine that the staff presented, since it is an already reduced fine from the maximum. Camuñez moved to lower the fine to two hundred dollars per violation, for a total of four hundred dollars. Zukin stated that she agrees that the fine was too high. Commissioner Turner moved to reject the staff's recommendation and reduce the fine to one thousand dollars, and Camuñez seconded. The stipulation was rejected 3-1.

Zukin recommended reviewing the infractions policy at a later meeting. Jenkins recommended adding additional materials to the website to help avoid these types of infractions.

b. In the Matter of: Richard J. Riordan, CEC Case No. 2008-15-B [Deena Ghaly & Terra Messina].

Ghaly noted that this item involved six violations regarding disclaimers on independent expenditures. She stated that there were no disclaimers on these independent expenditures, and the staff was proposing a five hundred dollar fine for each violation. Camuñez stated that this case is qualitatively different from a case where the respondent at least attempted to provide disclosure. In this case, the respondent did not. Ghaly asked to withdraw the stipulation to gather further information regarding the case. The commission agreed, and the case was withdrawn to be placed on the next agenda.

c. In the Matter of: Alpert & Barr A Professional Law Corporation; and Gregory N. Lippe, (jointly as "The Committee"), CEC Case No. 2008-24 [Deena Ghaly & Dominic Berbeo].

Ghaly presented the item, stating that it also involved independent expenditures. Jenkins asked why the respondent did not comply with the law. Ghaly stated that the respondents did seek advice from the Ethics Commission. Investigator Dominic Berbeo stated that the respondents

called the Ethics Commission and received oral advice and an FAQ regarding independent expenditure disclosure compliance. He stated that it appears that the respondents just did not properly comply. Jenkins and Camuñez asked why the fine wasn't larger, since the respondents sought and received advice but didn't follow it. Zukin pointed out that the approach the staff seems to be taking is that, regardless of the intent or the motive of the respondent, a uniform fine is applied to each violation. She suggested that the staff look at the circumstances of each case and determine an appropriate fine based on the facts of the case. Pelham stated that the staff tries not to look at who the violator is, but rather what the violation is. Turner moved to accept staff's recommendation, and Jenkins seconded. The stipulation was approved 4-0.

**d. In the Matter of: Tony Cardenas and Councilman Cardenas Committee, CEC
Case No. 2008-36 [Deena Ghaly & Artin Berjikly].**

Ghaly stated that this case had appeared before the Commission at the July meeting but was continued to a later meeting because the commissioners had concerns about the fine amount. The stipulation amount was renegotiated, and the fines were raised. Camuñez asked why the respondent has had multiple violations. Investigator Artin Berjikly stated that it is often hard to ascertain ownership interests in business entities, and the respondents did not do the extra research required to determine the ownership of contributors. He said there was no evidence of anything being done with a purpose; it was simply negligence. Camuñez moved to accept staff's recommendation, and Jenkins seconded. The stipulation was approved 4-0.

7. Quarterly Activity Report by Enforcement Division [Deena Ghaly].

Ghaly noted that all of the cold cases have been closed, and every effort is being made to maintain a good level of responsiveness. Zukin and Turner complimented the enforcement division on their performance in the last quarter.

8. Quarterly Activity Report by Program Operations Division [David Tristan].

Director of Program Operations David Tristan presented the item, noting that education continues to be a priority, even though the division lost three positions this fiscal year. Camuñez suggested that the whistleblower hotline be a part of the new-hire materials for City officials. Tristan stated that staff will continue to distribute information in every way possible, to educate City officials and the public about the whistleblower hotline. Zukin requested that this issue be put on a future agenda. Jenkins asked if LAWA has its own gift limit guidelines. Tristan responded that staff has provided LAWA with information regarding this subject but that LAWA wanted to create stricter policies for their employees and that staff is attempting to help them develop and implement those materials. Pelham stated that, while LAWA is subject to state and local ethics laws, they were attempting to extend the laws to people who are not technically subject to the City's Ethics Ordinance.

9. Consideration of and action on statements of economic interests for commission and department head SEI reviews [Shannon Prior].

Program Analyst Shannon Prior recommended that the Commission approve a cautionary letter for Juan Aquino, an appointee to the South Los Angeles Area Planning Commission. Jenkins moved to accept the recommendation, and Turner seconded. The letter was approved 4-0.

10. Discussion and possible action on recommendations regarding improvements to the Municipal Lobbying Ordinance [Heather Holt].

Holt gave an overview of Category #1 of the Municipal Lobbying Ordinance review, regarding the proposed definitions of “lobbying” and “lobbyist”. The commissioners reached consensus regarding most of the issues but asked for additional input at the December meeting regarding an exemption for providing technical data or expertise, an appropriate registration threshold for in-house lobbyists, exemptions for 501(c)(3) organizations, and the definition of “contact”. Public comment was heard from Veronica Perez-Becker, Steven Kaufman, Vanessa Rodriguez, and Jim Sutton.

9. Announcements and requests to schedule items on future agendas.

There were no announcements or requests to schedule items on future agendas.

10. Adjournment.

The meeting was adjourned at 12:32pm.